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Ministerial Changes

A number of ministerial changes were announced on 10 September.

The composition of the Cabinet (see p 175) was unaffected by the changes. The new appointments are as follows:

Ministry of Agriculture, Fisheries and Food
Parliamentary Secretary
Mr Donald Thompson, MP (former Lord Commissioner of the Treasury – one of the Government Whips)

Ministry of Defence
Parliamentary Under-Secretary of State (Defence Procurement)
Hon Archibald Hamilton, MP (former Lord Commissioner of the Treasury – a Government Whip)

Department of Education and Science
Minister of State
Mrs Angela Rumbold, CBE, MP (former Parliamentary Under-Secretary of State, Department of the Environment)

Department of Employment
Parliamentary Under-Secretary of State
Mr John Lee, MP (former Parliamentary Under-Secretary of State for Defence Procurement, Ministry of Defence)

Department of the Environment
Minister of State
Dr Rhodes Boyson, MP (former Minister of State, Northern Ireland Office)

Parliamentary Under-Secretaries of State
Mr Christopher Chope, OBE, MP.

The Lord Skelmersdale (former Lord in Waiting – one of the Government Whips in the House of Lords)

Foreign and Commonwealth Office
Minister of State (Minister for Overseas Development)
Mr Christopher Patten, MP (former Minister of State, Department of Education and Science)

Department of Health and Social Security
Minister of State (Minister for Health)
Mr Antony Newton, OBE, MP (former Minister of State for Social Security, Department of Health and Social Security)

Minister of State (Minister for Social Security)
Mr John Major, MP (former Parliamentary Under-Secretary of State, Department of Health and Social Security)

Parliamentary Under-Secretaries of State
Mrs Edwina Currie, MP

Mr Nicholas Lyell, QC, MP

Home Office
Ministers of State
Mr David Mellor, MP (former Parliamentary Under-Secretary of State, Home Office)

The Earl of Caithness (former Parliamentary Under-Secretary of State, Department of Transport)

Parliamentary Under-Secretary of State
Hon Douglas Hogg, MP

Northern Ireland Office
Minister of State
Mr Nicholas Scott, MBE, MP (former Parliamentary Under-Secretary of State, Northern Ireland Office)

Parliamentary Under-Secretary of State
Mr Peter Viggers, MP

Scottish Office
Minister of State
The Lord Glenarthur (former Parliamentary Under-Secretary of State, Home Office)

Parliamentary Under-Secretary of State
Mr Ian Lang, MP (former Parliamentary Under-Secretary of State, Department of Employment)

Department of Trade and Industry
Minister of State
Mr Giles Shaw, MP (former Minister of State, Home Office)

Department of Transport
Parliamentary Under-Secretary of State
The Lord Brabazon of Tara (former Lord in Waiting – a Government Whip in the House of Lords)

House of Lords
Captain of the Yeomen of the Guard (Deputy Chief Whip)
The Viscount Davidson (former Lord in Waiting – a Government Whip in the House of Lords)

Lords in Waiting (Government Whips in the House of Lords)
The Lord Hesketh

The Lord Beaverbrook

Resignations

The following ministers have tendered their resignations; their former posts are given in parentheses:

Mrs Peggy Fenner, MP[1] (Parliamentary Secretary, Ministry of Agriculture, Fisheries and Food)

The Lord Elton, TD (Minister of State, Department of the Environment)

Sir George Young, Bt, MP (Parliamentary Under-Secretary of State, Department of the Environment)

Rt Hon Timothy Raison, MP (Minister of State – Minister for Overseas Development – Foreign and Commonwealth Office)

Rt Hon Barney Hayhoe, MP (Minister of State, Department of Health and Social Security)

Mr Ray Whitney, OBE, MP (Parliamentary Under-Secretary of State, Department of Health and Social Security)

Rt Hon The Lord Gray of Contin (Minister of State, Scottish Office)

Mr Allan Stewart, MP (Parliamentary Under-Secretary of State, Scottish Office)

Hon Peter Morrison, MP (Minister of State for Industry, Department of Trade and Industry)

The Earl of Swinton, DL, JP (former Captain of the Yeomen of the Guard – Deputy Chief Whip in the House of Lords)

A further appointment in the Department of the Environment and the appointment of two Government Whips in the House of Commons and one in the House of Lords will be announced in due course.

International Co-operation against Crime

The increasingly international dimension of serious crime and the leading role played by the United Kingdom Government in responding to it was the main theme of a speech given by the Home Secretary, Mr Douglas Hurd, on 14 July. Mr Hurd referred both to the general measures of international co-operation being taken and to those relating specifically to terrorism, drug trafficking and fraud.

Mr Hurd, who was addressing the English Speaking Union in Oxford, said that a great deal of serious crime now transcended national boundaries and made use of the separation of national jurisdiction in order to evade detection or punishment. He said: 'Our aim is to ensure that there can be no hiding place for criminals anywhere in the world. There is much still to be done but the measures we already have in train make that begin to look an increasingly realistic and attainable aim'.

[1]Mrs Fenner is to be appointed a Dame Commander of The Most Excellent Order of the British Empire.

General Measures of International Co-operation

The Home Secretary referred to the proposed legislation to update the law on extradition (see p 111) which would be presented in the next session of Parliament; this would encourage more effective extradition agreements between the United Kingdom and other countries. He also mentioned the supplementary extradition treaty between the United Kingdom and the United States (see p 222, 1985 and p 209). Under this a person accused or convicted of certain serious offences of violence would no longer be able to avoid extradition on grounds that the offences were political. Similar arrangements with the European countries party to the European Convention on the Suppression of Terrorism already existed.

Mr Hurd said that the Government would pursue new arrangements for mutual assistance in the use of court processes in Britain to assist other countries with the provision of evidence against suspect criminals. A draft scheme on mutual assistance within the Commonwealth was under discussion and the possibility of similar co-operation with other European countries was being considered.

The Home Secretary then spoke of the importance of the European Community adopting higher standards in maintaining effective frontier controls against entry by terrorists, drug traffickers and other serious criminals. The United Kingdom would be using to the full the opportunities afforded by its presidency of the European Community (from July to December 1986) to develop concerted action in this field.

Action against Terrorism, Drug Trafficking and Fraud

With regard to the Government's strategy for international co-operation against terrorism, Mr Hurd said that this included a firm refusal to make any substantive concession to terrorist demands, a belief in the need to create a climate in which state-sponsored or state-supported terrorism was regarded as wholly unacceptable and appropriate action against such states. He referred to the major role played by the United Kingdom in formulating the measures agreed by the European Community in relation to Libya in April (see p 116) and to the declaration issued after the Tokyo economic summit in May (see pp 140-1).

On the problem of drug trafficking, the Home Secretary spoke of the need for the international community to regard the matter as a priority and the need to adopt a common approach. He referred to the proposal for a new United Nations Convention on Drug Trafficking which would include provisions on the tracing, freezing and confiscation of assets of drug traffickers, the extradition of offenders and the common acceptance of methods of investigation. The United Kingdom was pressing for the Convention to make drug trafficking an international crime, punishable anywhere in the world no matter where the offence took place (see pp 244-5). The United Kingdom Government had recently passed legislation aimed at deterring drug trafficking by attacking its motive: money. The Drug Trafficking Offences Act 1986 (see pp 69-71) created powers for depriving the convicted drug trafficker of the entire financial benefit his activities might have brought him. It also provided for the enforcement of orders made by the courts of countries with whom the

United Kingdom negotiated reciprocal agreements and vice versa.

On fraud, Mr Hurd mentioned the ease with which funds could be transferred electronically from one country's jurisdiction to another. With a view to early legislation, the Government was examining the report of Lord Roskill's Committee on Fraud Trials (see pp 35-6) whose recommendations included reform of the law of evidence to enable documents, including those of overseas origin, to become admissible in criminal proceedings, and to enable the taking of oral evidence overseas for use in such proceedings.

Shorter Note

VISA REQUIREMENTS

The Government's decision to introduce a visa requirement for citizens of India, Pakistan, Bangladesh, Ghana and Nigeria wishing to enter Britain, as a means of relieving pressure on immigration control at airports and seaports, was announced by the Home Secretary, Mr Douglas Hurd, on 1 September. Mr Hurd said that unacceptable delays were being caused at Heathrow and other ports and airports because an increasing number of passengers from the South Asian subcontinent and West Africa had to be refused entry because they did not meet the requirements of the Immigration Rules. Amendments to the Rules would be made so that citizens from the countries listed would in future have to obtain a visa from British diplomatic posts in their own countries; this would enable their applications to be considered before they travelled. There would be no change in the criteria for admission, but these would be applied in a person's own country rather than at British ports and airports.

Increased staff would be sent to British posts overseas so that the new arrangements could be introduced at an early date. If the announcement led to a sharp increase in the number of passengers from any of these countries, the visa requirements would be imposed immediately. Mr Hurd said that the change would benefit all *bona fide* passengers, not least those from the South Asian subcontinent and West Africa, who were at present being delayed.

Apart from Pakistan the countries affected already have a visa requirement for British citizens. The new arrangements bring United Kingdom policy into line with that of most other countries, including the United States, members of the European Community, Canada and Australia. Reciprocal visa regimes already exist between the United Kingdom and many other countries in Asia and the Middle East.

[For further information see COI reference pamphlet *Immigration into Britain: Notes on the Regulations and Procedures*, No 62/RF/83, with supplement, September 1985.]

Source: Home Office press notice, 1.9.86.

Shorter Notes

GUATEMALA

In a statement on 19 August the Foreign and Commonwealth Office announced that Britain and Guatemala had decided to resume consular relations with the aim of furthering peace and co-operation, that this would take effect immediately and that the two countries hoped to re-establish full diplomatic relations before the end of the year.

The Guatemalan Government issued a similar statement, but added the following sentence: 'Guatemala expects that . . . Britain will co-operate with its Government in finding satisfactory solutions in the Belize controversy.' A Foreign and Commonwealth Office spokesman explained that this was a unilateral addition and a matter for the Guatemalan Government, and that the issue of relations between Belize and Guatemala was entirely separate from those between Britain and Guatemala.

Guatemala unilaterally broke off diplomatic relations with Britain in 1963 and consular relations in 1981, the decision on both occasions being related to a Guatemalan territorial claim on Belize, a former British dependent territory which became independent in September 1981. The claim arises from differences over the interpretation and implementation of the 1859 British-Guatemalan treaty which established the boundaries between Guatemala and Belize (then British Honduras). Discussion of the issue took place at the United Nations between 1975 and 1980, successive United Nations resolutions endorsing Belize's right to self-determination, independence and territorial integrity.

Following talks in March 1981 between Britain, Belizean representatives and Guatemala, heads of agreement were signed providing a basis for a settlement of the dispute (see p 92, 1981). Further talks in New York in July 1981, however, failed to reach final agreement. Belize became independent in September 1981; at the request of Belize, Britain agreed to station a garrison there for an appropriate period in order to safeguard the country's security from any external threat (see p 215, 1981).

Since 1981 a series of talks have taken place between Belize and Guatemala, British officials being present as observers.

AID TO MALAYSIA

Britain is to provide nearly £60 million to Malaysia in support of a £410 million project to provide piped drinking water to rural villages. The British grant is being made under the Aid and Trade Provision, through which financial support is given to British contract bids for developmentally sound projects viable in economic, financial and technical terms.[1] The contract was secured by Antah-Biwater JV, an Anglo-Malaysian joint venture company.

The project, which is expected to take some five years to complete, involves 174 separate schemes in Malaysia's 13 states and will bring treated piped water for the first time to over 2 million rural Malaysians. In addition to the £60 million aid grant, the project will be supported by an Export Credits Guarantee Department-backed loan of £135 million.

British aid to Malaysia, including technical co-operation, amounted to over £7 million in 1985 and included support for around 1,000 graduate and post-graduate students out of a total of some 6,000 Malaysian students attending British universities and other educational institutions. The Commonwealth Development Corporation (see p 191), which has been active in Malaysia's development since 1949, has investments in agricultural projects, plantations and associated processing factories and an estimated commitment in Malaysia amounting to £74·6 million.

Source: Department of Trade and Industry press notice, 28.8.86.

[1]On 1 September the Government announced that funds available for the Aid and Trade Provision for 1986-87 are to be increased by £21 million to £90 million (see also p 391, 1985).

ECONOMIC AND SCIENTIFIC AFFAIRS

Balance of Payments in 1985

Despite adverse factors affecting visible trade and transfers, Britain in 1985 recorded a surplus – of some £3,600 million – on the current account of the balance of payments for the sixth successive year. This was almost three times the level in 1984. There was a deficit on visible trade – although only half as high as a year earlier – but this was easily outweighed by the customary surplus on invisible trade, which reached a record level

Revised figures for the balance of payments for the last 11 years are contained in the latest Balance of Payments Pink Book, which was published on 22 August.[1] Transactions are classified into two main groups: current account transactions, covering exports and imports of goods and services, investment income and most transfers; and transactions in British external assets and liabilities, covering inward and outward investment, transactions by banks in Britain, borrowing and lending overseas by other British residents, drawings on and additions to the official reserves, and other capital transactions. This article briefly describes the major changes in the balance of payments in 1985.

Current Account

The surplus on current account was £3,602 million in 1985, nearly three times as high as that in 1984 (see Table 1). The surplus on invisible trade, at £5,713 million, easily offset the deficit on visible trade of £2,111 million. In both 1984 and 1985 the visible deficits were increased by the effects of the dispute in the coal industry (see pp 47-8, 1985), by an estimated £2,750 million and £1,250 million respectively. Between these two years visible exports rose in value by 11 per cent and visible imports by 7 per cent (see Table 2).

Visible Trade

The improved performance on visible trade was spread over most broad commodity groups. The surplus on oil trade continued to increase, rising by more than £1,200 million in 1985 to reach £8,165 million. As in previous years, there were substantial deficits on trade in food, beverages and tobacco, in basic materials and in finished manufactures.

Britain's deficit with the rest of the European Community fell from £3,084 million in 1984 to £2,019 million in 1985, while the surplus with North America more than doubled to reach £2,421 million. The surplus with the oil-exporting countries, at £3,379 million, was of the same order as in the three previous years.

Invisible Trade

Credits on invisible trade in 1985 amounted to £80,608 million and debits to £74,895 million, giving a surplus of £5,713 million, slightly higher than in 1984. There was a surplus of £5,812 million on services (compared with one of £3,744 million in the previous year), a surplus of £3,400 million on interest, profits and dividends (£4,157 million in 1984) and a deficit of £3,499 million on transfers (£2,305 million in 1984).

The services account in 1985 consisted of the customary deficit on general government transactions (£1,285 million, similar to that in 1984) and surplus on those of the private sector and public corporations (£7,097 million compared with a little under £5,000 million a year earlier). On sea transport, an improvement in the balance from shipping operations by British residents was more than offset by a deterioration in that of foreign-operated ships so that the total deficit increased slightly in 1985 to reach £1,157 million. The civil aviation account showed its usual small surplus (£353 million). With a sharp rise in receipts from leisure travel, the travel account returned to surplus in 1985 (£574 million) after deficits in each of the previous four years. The surplus on financial services in 1985 (for which only credits are recorded) was £4,472 million (more than £1,000 million above that in 1984), with substantial improvements in performances in insurance and banking. At £2,855 million, the surplus on other services (including, for example, earnings from consultancy and royalties) was some £400 million higher than in 1984.

Interest, profits and dividends were in surplus by £3,400 million, with the customary deficit of general government and public corporations outweighed by the surplus of the private sector. Net earnings on direct investment fell from £1,294 million in 1984 to £398 million in 1985, mainly as a result of a large increase in earnings due abroad from foreign-owned companies. Net earnings on portfolio investment rose from £2,229 million to £3,649 million, largely reflecting the contribution of banks. The surplus on interest, profits and dividends as a whole, however, was lower than in 1984 mainly because of a swing from surplus to deficit in the earnings of banks from overseas lending and borrowing.

On transfers there was a deficit of £3,499 million, almost £1,200 million higher than that in 1984. As in previous years, there was a small deficit incurred by the private sector (£137 million) and a much larger one by general government (£3,362 million). The general government deficit increased sharply as a

[1] *United Kingdom Balance of Payments 1986 Edition.* Central Statistical Office. HMSO, £8·95. ISBN 0 11 620247 5.

Table 1
Summary Balance of Payments

£ million

	1975	1980	1983	1984	1985
Visible trade balance	−3,333	1,361	−835	−4,384	−2,111
Invisible trade balance	1,751	1,568	3,969	5,596	5,713
of which *Services*	1,336	3,868	3,652	3,744	5,812
Interest, profits and dividends	890	−222	2,421	4,157	3,400
Transfers	−475	−2,078	−2,104	−2,305	−3,499
Current balance	−1,582	2,929	3,134	1,212	3,602
Transactions in assets and liabilities					
British external assets	−1,534	−42,141	−30,815	−31,256	−50,021
British external liabilities	3,135	39,203	26,142	24,920	42,725
Allocation of Special Drawing Rights	—	180	—	—	—
Balancing item*	−19	−171	1,539	5,124	3,694

*Reflects distortions and omissions, and is included to make total entries sum to zero.

Table 2
Current Account

£ million

	1975	1980	1983	1984	1985
Exports (free on board)	19,330	47,422	60,776	70,367	78,051
Imports (free on board)	22,663	46,061	61,611	74,751	80,162
Visible balance	**−3,333**	**1,361**	**−835**	**−4,384**	**−2,111**
Invisible trade balance	**1,751**	**1,568**	**3,969**	**5,596**	**5,713**
Services					
General government	−569	−849	−1,050	−1,181	−1,285
Private sector and public corporations					
Sea transport	89	141	−1,013	−1,132	−1,157
Civil aviation	105	395	311	248	353
Travel	301	223	−87	−50	574
Financial services	995	1,675	2,841	3,384	4,472
Other services	415	2,283	2,650	2,475	2,855
Interest, profits and dividends					
General government	−225	48	−573	−723	−953
Private sector and public corporations	1,115	−270	2,994	4,880	4,353
Transfers					
General government	−337	−1,782	−1,956	−2,129	−3,362
Private sector	−138	−296	−148	−176	−137
Current balance	**−1,582**	**2,929**	**3,134**	**1,212**	**3,602**

Table 3
Summary of Transactions in External Assets and Liabilities

£ million

	1975	1980	1983	1984	1985
Overseas direct investment in Britain	1,518	4,355	3,438	425	3,370
Overseas portfolio investment in Britain	194	1,499	1,888	1,419	7,065
British direct investment overseas	−1,324	−4,926	−5,301	−5,957	−7,307
British portfolio investment overseas	−59	−3,230	−6,520	−9,550	−18,220
Borrowing from overseas	1,753	33,942	21,392	23,124	32,263
Deposits and lending overseas	−185	−34,045	−19,123	−15,914	−22,006
Official reserves*	655	−291	607	908	−1,758
Other external liabilities of general government	−330	−593	−576	−48	27
Other external assets of central government	−621	−351	−478	−743	−730
Total	**1,601**	**−2,938**	**−4,673**	**−6,336**	**−7,296**

*Drawings on (+)/additions to (−).

result of exceptional payments under the European Community budget. Payments under both the 1984 and 1985 inter-governmental agreements were made in 1985 while there was a delay until January 1986 in the receipt of most of the value added tax abatement arising from Britain's excess contribution to the 1984 Community budget (see p 96, 1985).

Transactions in External Assets and Liabilities

Between 1984 and 1985 there was a large rise in inward and outward investment, with portfolio investment increasing by more than direct investment (see Table 3). There were sharp increases in overseas investment in British government stocks and in British company bonds (in which there had been a small disinvestment in 1984). Transactions of British banks (excluding direct and portfolio investment) resulted in a net inflow of £7,714 million compared with one of £10,758 million a year earlier. Transactions of British residents other than banks (excluding direct and portfolio investment) produced a net inflow of £2,543 million compared with an outflow of £3,548 million in the previous year. The change was mainly the result of an increase in liabilities to banks abroad. Accruals to the official reserves amounted to £1,758 million in 1985 (compared with a fall of £908 million in 1984) including proceeds from the Government's $2,500 floating rate note issue. At the end of 1985 the estimated value of Britain's direct investment holdings overseas was £76,700 million compared with £81,500 million a year earlier. The fall was a reflection of the higher value of sterling against the currencies in which the assets were denominated. The estimated value of overseas direct investment holdings in Britain, generally denominated in sterling, rose from £38,000 million to £40,500 million over the same period.

Small Firms Service

The contribution that the Small Firms Service has been making over the years to the growth of the small business sector, through information and advisory activities, is recognised by the Small Firms Minister, Mr David Trippier, in the Service's first annual report.

The report,[1] the first to be published by the Service, even though it has been operating since the early 1970s, sets out the activities of the Service in 1985-86, a year in which responsibility for it was transferred to the Department of Employment from the Department of Trade and Industry. The objective of the Service remains the same, however: the encouragement of viable and profitable small businesses. While additional employment may flow from this, the report says businesses must first and foremost be profitable if they are to survive and grow.

[1] *Small Firms Service: Annual Report 1985-86*. Available free from Department of Employment, Room 114, Steel House, Tothill Street, London SW1H 9NF.

Small Firms Sector

In a foreword Mr Trippier says that the stock of small businesses has grown substantially and is making an increasing contribution to the economy. The report notes that 96 per cent of all firms in Britain are independent and managed by their owners; they contribute 20 per cent of gross national product. While they employ only a quarter of the labour force, they have been accounting for half of all new private sector employment, as large firms have been shedding jobs. The net increase in the number of small firms in 1984 was over 30,000. This was a little lower than in the previous year, but continues an upward trend: the net increase was less than 20,000 in 1980.

Small firms, the report says, 'are a force for innovation, and lacking the constraints of large organisations can show skill and imagination in developing new ideas which do not appeal to the large firm'. But they can also come up against unexpected problems, and need to have a good base of business management. The Small Firms Service aims to provide professional help to overcome gaps in the management knowledge of small firms.

Information and Counselling Services

The Small Firms Service operates from regional centres in ten main cities in England, two centres in Scotland and one in Wales, with over 100 staff and nearly 300 counsellors. The counselling service, however, is available not just at the regional centres but locally through over 150 area counselling offices. These offices are provided by the Manpower Services Commission's Jobcentres, by local chambers of commerce, by local authorities, and, increasingly, by local enterprise agencies, a development which is welcomed in the report.

Another trend noted in the report is that the Service is not only making a contribution to businesses which are starting up but is enlarging its participation in the development planning of established small businesses, some with over 100 employees.

The Service's budget in 1985-86 was some £5·3 million, broken down as follows: the regional centres cost £1·8 million to maintain and the headquarters office £0·8 million; total expenditure on counsellors was £1·8 million; publications and publicity cost £0·6 million; and £0·3 million was spent in funding the 'freefone' service, which makes initial contact with the regional centres straightforward and cost free to the enquirer.

Information

Each Small Firms Centre is staffed by selected enquiry officers who are specially trained and briefed on how business operates, on central and local government provision for small businesses, and on legislation and other matters affecting small firms. The officers are supported by a computerised database and are able to undertake research in order to respond to enquirers more effectively. The enquiry service is backed up by publications and by printed information from the database. Strict commercial confidentiality is maintained.

The number of enquiries exceeded 280,000 in 1985-86, compared with some 270,000 in the previous year and about 210,000 in 1981-82.

Counselling

Counselling is provided by experienced business people on contract to the Department of Employment and selected for their ability to deal with the problems of smaller business. All are given refresher training in analytical skills, inter-personal skills and small business finance and marketing. Some 30 per cent of counselling effort goes into providing business advisory support to the Enterprise Allowance Scheme run by the Manpower Services Commission (see p 126, 1985). This consists of providing business expertise at information sessions and follow-up counselling if it is required.

The number of counselling sessions held in 1985-86 was 35,116, a 3 per cent increase on the previous year and roughly double the figure for 1981-82.

Industrial Disputes

There was a substantial fall in the number of working days lost in Britain in 1985 as a result of industrial disputes, and the number of stoppages recorded was the lowest since 1938.

Final figures for 1985 are given in an article in the August issue of the Department of Employment's *Employment Gazette* (HMSO, £3·25, ISBN 0 11 727928 5). They indicate that some 6·4 million working days were lost in 1985 through stoppages of work arising from industrial disputes – equivalent to about one-third of a day for each employee in employment. The latest provisional figures, covering the 12 months to May 1986, indicate that some 2·4 million working days were lost, the lowest level of days lost since 1967. An international comparison of industrial disputes over the period 1975 to 1984 is given on pp 228-30.

Information about stoppages of work arising from industrial disputes is collected on a voluntary basis through the Department of Employment's local unemployment benefit offices and other sources including, in the case of some large stoppages, from the employers or trade unions involved. There are difficulties in ensuring complete recording of stoppages, particularly for short disputes or those involving only a few workers. Accordingly, stoppages involving fewer than ten workers and those lasting less than one day are excluded from the statistics except where the aggregate number of days lost exceeds 100. This restriction has more effect on the number of stoppages than on the number of working days lost and therefore the latter is considered a better indicator of the impact of industrial disputes.

Stoppages in 1985

The number of working days lost fell from 27·1 million in 1984 to 6·4 million in 1985 (see Table 1), compared with the ten-year average for 1975 to 1984 of 11·1 million. The dispute in the coal industry over pit closures (see pp 47-8 and 77-8, 1985) accounted for 4 million (63 per cent) of the days lost in 1985, while national strikes by teachers over pay represented a further 822,000 days lost (13 per cent). The number of workers involved in stoppages in progress in 1985 was 791,300, compared with 1·46 million in 1984 and an annual average of 1·48 million during the period 1975 to 1984. A substantial fall in the number of stoppages occurred, with the number recorded in 1985, 903, being the lowest since 1938. However, the

Table 1

Stoppages in Progress 1965-85

	1965	1970	1975	1980	1983	1984	1985
Working days lost (thousand)	2,925	10,980	6,012	11,964	3,754	27,135	6,402
Working days lost per 1,000 employees	127	488	265	521	178	1,277	298
Workers involved (thousand)	876	1,801	809	834	574	1,464	791
Number of stoppages	2,365	3,943	2,332	1,348	1,364	1,221	903

Table 2

Stoppages by Principal Cause 1985

	Working days lost (thousand)	Workers involved (thousand)	Number of stoppages
Pay	1,588	370	361
Duration and pattern of hours worked	169	16	51
Redundancy	4,265	247	104
Trade union matters	91	16	39
Working conditions and supervision	66	34	91
Manning and work allocation	113	56	159
Dismissal and other disciplinary measures	110	52	98
Total	6,402	791	903

article notes that, because of the difficulties in ensuring complete recording of stoppages, comparisons over time must be made with caution. It says that one factor that may have contributed to the lower figures in 1984 and 1985 may be the Trade Union Act 1984 (see pp 312-13, 1984), which removed legal immunity from trade unions calling a strike or taking other industrial action without first holding a secret ballot of members concerned and securing a majority vote for this action.

Duration and Size of Stoppages

Less than 1 per cent of stoppages involved the loss of 50,000 or more working days in 1985, but these large-scale stoppages accounted for 79 per cent of working days lost. Ten stoppages involving 10,000 or more workers accounted for 78 per cent of days lost, while the disputes involving fewer than 100 workers accounted for 41 per cent of the number of stoppages, but less than 2 per cent of days lost. Over half the number of stoppages lasted for not more than three working days.

Causes of Stoppages

A breakdown of stoppages of work by the principal cause is given in Table 2. Stoppages over redundancy issues accounted for the highest proportion (67 per cent) of the number of working days lost in 1985, as they had done in 1984 (87 per cent), mainly reflecting the impact of the dispute in the coalmining industry over pit closures. However, disputes over pay were responsible for the highest proportion of workers involved in industrial action, 47 per cent, compared with 31 per cent for redundancy issues. In terms of the number of stoppages, pay was also the most common cause of a stoppage, accounting for 40 per cent of disputes, followed by manning and work allocation issues (18 per cent) and redundancy issues (12 per cent).

Science and Technology

The Government's views on the future of the science budget and on the development of marine science and technology are set out in two recent White Papers.

SCIENCE BUDGET

The White Paper on the future of the science budget[1] contains the Government's response to the House of Commons Education, Science and Arts Committee's report, issued in 1985 (for publication details see p 283, 1985). It says that the Government agrees with three of the Committee's main conclusions: that the economy of a modern industrial state depends particularly on the efficiency with which it can exploit science and technology, and that basic or pure research and related strategic research are essential to this process; that the basic and strategic research supported by the science budget is of particular importance as, in combination with universities and polytechnics, it provides the science base for the development of new industry and advanced skills; and that the research council system can continue to serve Britain well, provided that it has adequate resources.[1] The Government agrees with the Committee on the desirability of securing the best possible value from the science budget, on sustaining and strengthening the support system for research in institutions of higher education under a single minister in the Department of Education and Science, and on improving the co-ordination by the Government of its policies for and expenditure on research and development.

The aim of the science policy of the Department of Education and Science is 'to maintain and enhance the strength and quality of the science base in higher education and the research councils'. It is encouraging greater concentration and selectivity of research; closer links with industry and commerce; an increase in funding from private sector sources; better management, leading to improved value for money; and greater flexibility, enabling a faster response to new scientific opportunities. These objectives are being pursued with the aim of strengthening Britain's knowledge and skills in science and technology, and thereby improving the efficiency, competitiveness and innovative capacity of the British economy.

The White Paper points out that 'the Government alone cannot realise these aims and objectives'; responsibility also rests with the scientific community and its institutions including the universities, the research councils, the University Grants Committee and the Advisory Board for the Research Councils (ABRC). The Government commends the positive response already shown by the scientific community. Significant progress has been made on each objective, as indicated, for example, by the rationalisation of sites by the research councils, the growing collaboration between universities and industry, the major restructuring being undertaken by the research councils, and initiatives in a number of areas in response to scientific opportunity and national needs as in food science, molecular medicine, atmospheric chemistry, geology of the seabed, opto-electronics and the Spallation Neutron Source (see p 321, 1985). The Government sees in these achievements evidence of 'the sustained high quality of UK science'.

Funding

The Select Committee identified some types of costs (such as international subscriptions and costs involved in restructuring) which it believed should be met from outside the science budget. The Government accepts that 'the cost structure of supporting science is complex', but says that all costs must be subject to scrutiny. It supports the existing mechanism for determining the size of the science budget, through successive annual public expenditure surveys in the light of advice submitted to the Secretary of State for Education and Science by the ABRC. On international scientific subscriptions the Select Committee said that factors such

[1] *The Future of the Science Budget.* The Government Response to the First Report from the House of Commons Education, Science and Arts Committee, Session 1984-85. Cmnd 9849. HMSO, £2·40. ISBN 0 10 198490 1.

[1] Funds from the science budget are allocated to the five research councils – the Science and Engineering Research Council, the Medical Research Council, the Natural Environment Research Council, the Agricultural and Food Research Council and the Economic and Social Research Council – and grants are also made to the British Museum (Natural History), the Royal Society and the Fellowship of Engineering.

as the Government's international obligations and exchange rate variations had led it to recommend that the major part of the cost should be borne by government departments, in most cases the Foreign and Commonwealth Office, with a proportion continuing to be funded by the appropriate research council. However, the Government supports the present arrangements as 'they leave clear responsibility with one department able to take account of all factors including the views of other departments and the ABRC'. In general, responsibility for funding these subscriptions should go together with scientific responsibility, but this does not rule out contributions from departments to research council programmes on scientific grounds, and there will be occasions when joint funding is appropriate.

The Select Committee acknowledged that the Government, in the light of advice from the ABRC, had found new resources for the science budget, which increased in real terms between 1981-82 and 1985-86 by 6 per cent, slightly more than 1 per cent a year. In its advice in 1985 the ABRC recommended the provision of additional sums for 1986-87 to 1988-89. The Government accepted the ABRC's advice for 1986-87 and made an addition of £15 million to the science budget for that year and the next two financial years, while the case for further increases in 1987-88 and following years will be reviewed later in 1986 in the light of advice from the ABRC. On present plans the value of the science budget will be broadly maintained, rising from an estimated outturn of £584 million in 1985-86 to planned expenditure of £614 million in 1986-87, £628 million in 1987-88 and £644 million in 1988-89. However, the Government is not prepared to make the commitment recommended by the Select Committee that annual increases in the science budget should be at least 3 per cent above the general movement of prices. The White Paper says that the science budget will need to be reviewed each year in the light of a wide range of considerations, such as requests for public expenditure in other areas, the level of taxation and increases in national wealth, as well as scientific requirements.

Organisation

The White Paper notes the widely distributed responsibilities for decision-making and management, with the overall co-ordinating role in the hands of the Prime Minister. It says that such a decentralised system makes it particularly important to have effective links between the different elements. A number of steps have been taken to improve these links including the establishment of a Chief Scientific Adviser in the Cabinet Office to advise the Prime Minister and the Cabinet, and who also has the role of chairing a Committee of Chief Scientists. Through the Chief Scientific Adviser, the Government publishes an annual review of government-funded research and development, which is increasingly being used as a basis for collective consideration by ministers of the balance of effort in different areas of research and development supported by public funds.

The Committee recommended that the roles of the ABRC and the Advisory Council for Applied Research and Development (ACARD) should be subsumed in one body, based on the ABRC. The Government's view is that both bodies have necessary but different roles in the machinery of government. The ABRC advises a single minister – the Secretary of State for Education and Science – on responsibilities for civil science and resources to be made available through the science budget, while ACARD has a much broader role of advising on applied research, design and development, and reports directly to the Prime Minister. Their roles are distinct, but close links between them are required and arrangements have been made to ensure greater collaboration between the two bodies.

MARINE SCIENCE AND TECHNOLOGY

The Government's decision to establish a co-ordinating committee on marine science and technology was announced in a White Paper, published on 24 July.[1] The White Paper contains the Government's reply to a report of the House of Lords Select Committee on Science and Technology (for publication details see p 77). Noting Britain's 'record of excellence in marine research', which extends to the development of this research, the Government agrees with the Select Committee that a long-term view is required of national research priorities and that a strategic framework for marine research should be established and kept under review. It rejects the idea of a marine board located in the Science and Engineering Research Council, as this would have only limited national influence. However, it accepts the case for a joint committee to focus the research requirements of different bodies (including industry) and has therefore decided to establish a Co-ordinating Committee on Marine Science and Technology. Members will be appointed by the Secretary of State for Education and Science and will be drawn from the research councils, government departments, industry and other bodies with an interest in the application or development of marine science and technology.

The Government accepts that a principal objective will need to be the identification of the research requirements for the potential exploitation of ocean resources, especially those in the United Kingdom Continental Shelf. The Committee considered that the declaration by Britain of an 'Exclusive Economic Zone' was inevitable, but the Government does not believe that this would be an advantage to Britain, either in securing resources or in facilitating marine scientific research. The White Paper points out that Britain has always pressed for 'the minimum of restrictions for marine scientific research'.

The Government agrees with the Select Committee that 'a full involvement in international activities is an essential element of a national marine science capability', but feels that the Committee in recommending greater emphasis on international collaboration may have underestimated the existing level of participation. It refers to a number of projects in which Britain has been involved, such as the World Ocean Circulation Experiment. The European Commission is preparing proposals for a research and development programme in marine science and technology, within the framework for research and development for 1987 to 1991. Britain has contributed fully to discussions about the possible content of such a programme and, although the Government believes that some areas are more

[1] *Marine Science and Technology.* The Government Response to the Second Report of the House of Lords Select Committee on Science and Technology, 1985-86 Session. Cmnd 9861. HMSO, £2·40. ISBN 0 10 198610 6.

appropriately covered by collaboration by industrial companies through arrangements such as the Eureka initiative (see pp 213-14), it is expected that British scientists will make an important contribution in those areas which may be agreed for a Community programme.

Radioactive Waste Management

The Government's policy on the management and disposal of radioactive waste is set out in a White Paper, published on 23 July.

The White Paper[1] contains the Government's response to a report by the House of Commons Environment Committee,[2] which made a number of wide-ranging recommendations. An initial response was published by the Government on 2 May dealing with those aspects directly concerned with the proposal to develop a near-surface facility, for which the Nuclear Industry Radioactive Waste Executive (NIREX) subsequently received planning permission to investigate four possible disposal sites under a Special Development Order (see p 196). As well as containing the Government's reply to the Select Committee's other recommendations, the White Paper sets out the Government's objectives on radioactive waste management.

WHITE PAPER

The White Paper reaffirms the Government's belief that 'nuclear power has an essential contribution to make to the generation of electricity, at a cost and level of risk comparable to, or better than, that posed by alternative sources of power'. Radioactive materials, however, are used not only in electricity generation, but also in industry, medicine and universities, and these materials, whatever their source, have to be disposed of safely when no longer required. Amounts of radioactive waste arising between 1986 and 2030 from existing or agreed nuclear power facilities are estimated at approximately 460,000 cubic metres[3] of low-level waste, 140,000 cubic metres of intermediate-level waste and 4,300 cubic metres of heat-generating waste (waste where the temperature may rise significantly as a result of its radioactivity, so that this has to be taken into account in the design of storage or disposal facilities). The amounts are sensitive to the size of the nuclear power programme, so that if, for example, a programme of 15 power stations were commissioned between 1990 and 2010, amounts of waste produced could rise, in the case of low-level waste, to 1·2 million cubic metres by 2030.

[1] *Radioactive Waste: The Government's Response to the Environment Committee's Report.* Cmnd 9852. HMSO, £3·40. ISBN 0 10 198520 7.

[2] *Radioactive Waste.* First Report from the House of Commons Environment Committee, Session 1985-86.
Vol I. Report together with the proceedings of the Committee. HMSO, £9·85. ISBN 0 10 280586 5.
Vol II. Minutes of Evidence. HMSO, £18·90. ISBN 0 10 285286 3.
Vol III. Appendices. HMSO, £10·40. ISBN 0 10 285386 X.

[3] 1 cubic metre = 35·3 cubic feet.

Government Strategy and Objectives

The Government welcomes the Committee's conclusions that safe disposal routes are available in Britain and agrees that indefinite storage presents unacceptable risks. It continues to favour early disposal as, in general, 'this carries a lower risk to workers in the nuclear industry and to the public'. Having studied the Committee's report, the Government is satisfied that the objectives regarding radioactive waste management, as set out in an annex to a White Paper in 1982 (see p 277, 1982), remain broadly valid, although the reference to effective dose equivalent should be amended to conform with the latest recommendations of the International Commission on Radiological Protection and the National Radiological Protection Board. The objectives are that:

1 all practices giving rise to radioactive wastes must be justified, that is, the need for a practice must be established in terms of its overall benefit;

2 radiation exposure of individuals and the collective dose to the population arising from radioactive wastes shall be reduced to levels which are as low as reasonably achievable, taking into account economic and social factors; and

3 the effective dose equivalent from all sources (excluding natural background radiation and medical procedures) to representatives of a critical group should not exceed 1 milliSievert (mSv) in any one year, although effective dose equivalents up to 5 mSv are permissible in some years, provided that the lifetime dose does not exceed 70 mSv.

The standard set in the third objective will be used as a reference point for future authorisations, although in practice the Government has been working to this criterion for some time, for example, in authorisations governing liquid discharges from Sellafield (see p 299).

Responsibilities

Responsibility within the Government for its civil radioactive waste management strategy rests with the Secretaries of State for the Environment, for Scotland and for Wales and for defence wastes with the Secretary of State for Defence. In each case this responsibility is exercised in close consultation with other ministers, especially the Secretary of State for Energy, the Secretary of State for Social Services and the Minister of Agriculture, Fisheries and Food, and with agencies, in particular the Health and Safety Executive. The Secretary of State for Northern Ireland controls the use and disposal of radioactive substances in Northern Ireland. The Government considers that this distribution of responsibilities remains appropriate.

Within this framework the nuclear industry is responsible for managing and paying for storage and disposal of its wastes, subject to the detailed requirements of the authorising departments. NIREX is responsible for providing and managing new facilities for the disposal of low-level and intermediate-level radioactive waste. It has now been incorporated as a public company, UK NIREX Ltd, with ownership divided among British Nuclear Fuels plc, the Central Electricity Generating Board, the United Kingdom Atomic Energy Authority and the South of Scotland Electricity Board. In addition, a special share is held by the Secretary of State for Energy, as the minister

who answers for the nuclear industry (including NIREX) in Parliament.

Implementation of Strategy

The Government's policy is that 'wastes should be disposed of under strict supervision to high standards of safety and that the periods of storage should be the minimum compatible with safe disposal'. For heat-generating wastes this involves storage for at least 50 years to allow the wastes to cool. 'For low-level and intermediate-level wastes it is desirable to dispose of them as soon as possible, and to avoid the creation of additional accumulations and the provision of costly and extensive storage capacity.'

Low-Level Waste Disposal

Recent studies, in particular an assessment of the best practicable environmental options, have confirmed the suitability of a near-surface facility for the disposal of low-level waste and of short-lived intermediate-level waste. However, in response to the views expressed by the Select Committee and by local communities around the sites to be investigated by NIREX, the Government has decided that a near-surface facility should only be used for what is broadly described as low-level waste.

The Government agrees with the Committee that any new disposal site should be based on current knowledge and experience, and should not be modelled on the existing national site for low-level radioactive waste disposal, at Drigg (Cumbria), which has operated for over 20 years. However, Drigg does not present any unacceptable risk and, with planned improvements, the life of the site can be extended until about the 2040s, assuming that a new near-surface facility is available in the early 1990s. If no such site is provided, Drigg is likely to be full by 2010. In order to reduce the need to transport wastes, it is intended to reserve Drigg for wastes from British Nuclear Fuels once a new near-surface facility is available.

The Special Development Order gives NIREX planning permission to investigate the geology of four sites: Elstow (Bedfordshire), Fulbeck (Lincolnshire), Bradwell (Essex) and South Killingholme (Humberside). NIREX is planning to gather data in the next year or so[1] and will make available interim results of its investigations after the first six months of site work and results of further work thereafter. If at any time of the investigation, NIREX finds a site to be unsuitable, it will cease work there. The present timetable envisages that any proposals by NIREX will be put forward in 1988 and that a public inquiry might start in late 1988 or early 1989.

The White Paper says that any facility will have to be constructed to the strict radiological protection criteria laid down for the authorisation and safety assessment of waste disposal sites. 'In particular, NIREX will have to work to a target that the maximum risk to the most exposed individual in a year should not, under any circumstances, exceed that associated with a dose of 0·1 mSv: that is, a chance of death to that individual of one in a million.' Waste for deposit will be carefully matched against the characteristics of the site to ensure that it will remain within the criteria, with any unsuitable wastes being excluded.

[1]NIREX announced on 11 August that the Central Electricity Generating Board had appointed contractors to undertake ground investigations at the four sites. The work would cost some £10 million and was expected to last for seven months from August/September, and would be followed by a similar period of analysis and assessment before one of the sites was selected and a planning application prepared.

Other Wastes

At present short-lived and long-lived intermediate-level wastes are being stored, prior to disposal. Work on the development of a deep disposal site is being pursued as a matter of urgency, but in view of the extent of the preliminary work required, it will not be available for about ten years, and meanwhile the wastes will continue to be stored. NIREX has commissioned a survey with a view to identifying potentially suitable areas for a deep disposal site.

Heat-generating wastes have been safely stored in stainless steel tanks at Sellafield for over 30 years. However, storage in solid form is more cost-effective in respect of the protection required and is also more suitable for eventual transport and disposal. A vitrification plant, which will convert the wastes from liquid form to glass blocks, is being built at Sellafield and is expected to be completed by 1988-89. The blocks, encased in metal, will be placed in an air-cooled store for a minimum of 50 years, by which time heat generation and radiation will be lower, making disposal much easier.

Disposal at Sea

The White Paper says that, although views differ on the acceptability of disposal at sea of radioactive waste, 'many countries consider that it is a safe disposal option which should remain available', and the Government shares this view. The Committee recommended that considerably greater emphasis should be given to seabed options, especially to the use of tunnels from land under the seabed. According to the White Paper, all promising options (including those connected with seabed disposal) will be carefully evaluated. Extensive research, due to be completed in 1987, is being undertaken by a working group of the Nuclear Energy Agency into the disposal of heat-generating waste into the sediments of the deep ocean bed. NIREX has commissioned two feasibility studies, the results of which should be available later in 1986, into the disposal of intermediate-level waste under the seabed, either by tunnelling from land or through access from an offshore structure.

Discharges

The authorising departments (the Department of the Environment and the Ministry of Agriculture, Fisheries and Food) are engaged on a review of the liquid and gaseous authorisations for all nuclear installations in Britain. The aim is to complete the review within three years and thereafter all authorisations will be kept under regular review. Authorisations are already reviewed to take account of any new recommendations of the International Commission on Radiological Protection or of any other relevant changes. The Government rejects the proposal that discharge limits should be regarded as fixed standards, as this would encourage operators to regard them as targets and thus discourage them from using the best practicable means to improve performance within the limits set. This would run counter to the established principle of radiological protection that doses to the public resulting from radioactive discharges should be kept as low as reasonably achievable.

Discharges from Sellafield have decreased considerably over recent years and are now only one-tenth of the level in 1978. Further major reductions are planned to take effect from about 1991 when an enhanced actinide removal plant comes into operation. On 1 July 1986 a revised liquid discharge authorisation for Sellafield took effect, reflecting the improvement in discharge levels permitted by the commissioning of new effluent plant during 1985. Specific limits apply on a wide range of individual radionuclides and there are also limits on the use of solvents, while the new authorisation also requires the removal of all solids arising from reprocessing. Further development of ultra-fine particulate filters will ensure that by the early 1990s even the smallest radioactive particles are removed from discharges.

Thermal Oxide Reprocessing Plant

The White Paper emphasises the Government's continuing support for the thermal oxide reprocessing plant (THORP) being built by British Nuclear Fuels at Sellafield at a cost of over £1,600 million. It says that the Government does not accept the Committee's basic premise that there is no overall strategic, technical and economic case in favour of reprocessing fuel from the Advanced Gas-cooled Reactors, or that financial considerations are the sole reasons for continuing with the THORP contract. In relation to the management of spent fuel, there are two possible options: reprocessing, involving the separation of waste products from the reusable uranium and plutonium; or dry storage and eventual disposal. However, only by reprocessing is the opportunity taken to utilise the uranium and plutonium, 'which represents a valuable energy resource equivalent to the entire commercially recoverable resources of coal in the UK. The Government believes that nuclear power will have an essential contribution to make in the next century.' Investment decisions have to be based on a responsible and balanced view of longer-term strategic requirements, and 'it would be wrong to abandon the experience and expertise gained from several decades of safe and successful development of the nuclear fuel cycle'.

The Government disputes the Committee's suggestions that other major nuclear countries have not found it necessary or economic to carry out civil reprocessing and that British Nuclear Fuels' overseas reprocessing contracts will result in Britain becoming a 'dumping ground' for other countries' spent fuel problems. The White Paper points out that France, the Federal Republic of Germany and Japan have significant reprocessing programmes, and that the United States has removed its moratorium on civil reprocessing. It also notes that the contracts signed by British Nuclear Fuels incorporate the right to return all reprocessing wastes to the country of origin, and the Government has made it clear that this option should be exercised.

The White Paper says that the commercial success of THORP is assured through the contracts totalling some £2,500 million with 30 companies in nine countries and through contracts worth some £1,600 million which have recently been signed with the electricity generating boards in Great Britain. Abandonment of the project would have very serious economic consequences, including loss of overseas income and substantial costs for the industry in developing alternative routes for dealing with spent fuel from Advanced Gas-cooled Reactors. 'Reprocessing is a proven and safe technology' and there is no question of abandoning the project.

Consultation and Provision of Information

The Government supports the Committee's objective that information should be available to enable the public to comment on proposals connected with radioactive waste disposal. Accordingly, NIREX, in its investigations into a low-level waste disposal site, will be required to submit to any public inquiry considering a planning application an environmental impact assessment in which the comparative merits of the proposed site, and of those rejected, must be set out. These arrangements will allow the public to be involved in the site selection process. The Government will also expect the industry to pursue a policy of openness and consultation.

The nuclear industry and the Government 'place considerable value on the local liaison committees established for existing nuclear facilities'. Local communities must be kept informed and there must be a suitable channel of communication between them and a site operator. Although responsibility for a new disposal site must remain with NIREX, once such a site has been chosen for development, the Government would encourage NIREX to discuss with local authorities and other representative groups the form and role of a local liaison committee.

Research

The White Paper says that prime responsibility for research into radioactive waste disposal rests with the nuclear industry, although a considerable programme is also commissioned by government departments and agencies. As NIREX develops its major site investigation programme, there will be a substantial increase in research in that area over the next few years. The Government accepts that radioactive waste policy must ensure that there are no significant gaps in the research programme and that full account is taken of a range of waste management options.

Shorter Notes

LONDON'S FOREIGN EXCHANGE MARKET

A survey conducted by the Bank of England in March showed that average daily turnover on the London foreign exchange market is an estimated £60,000 million ($90,000 million). The major share of trading was between the United States dollar and sterling (30 per cent), closely followed by dollar/deutschmark dealings (28 per cent). Dollar/yen transactions accounted for 14 per cent of the total and dollar/Swiss franc for 9 per cent. Spot transactions (where delivery is normally made within two days) accounted for 73 per cent of business and forward contracts out to one year for 26 per cent. Foreign currency options and futures represented less than 1 per cent of the market.

The great majority of dealings were conducted 'interbank' – that is, among banking institutions – and only 9 per cent related directly to banks' dealings with

their customers. Since dealing from one currency to another is traditionally done via the dollar, however, a bank might have to engage in four transactions on the interbank market in order to deal with a request from a customer for foreign exchange. Much interbank dealing is therefore generated by genuine commercial demand.

Brokers (both in London and abroad) were found to have intermediated in 43 per cent of total market turnover. Business entirely between banks in Britain accounted for 11 per cent of turnover, and transactions with banks overseas for 34 per cent.

Some 347 banking institutions and eight recognised brokers were covered by the survey, together with the Bank of England's own activity in the foreign exchange market.

According to press reports, the central banks of the United States and Japan also published surveys of the New York and Tokyo foreign exchange markets recently. Turnover was found to be $50,000 million and $48,000 million, respectively.

Sources: Bank of England press notice, 20.8.86; *Financial Times*, 20.8.86.

TOURISM IN 1985

All tourism records were broken in 1985, according to the annual report of the British Tourist Authority (BTA), as 14·5 million visitors (6 per cent more than in 1984) spent £6,700 million, either in Britain (£5,450 million) or on fares paid to British passenger carriers (£1,225 million). The volume of spending was 16 per cent higher in current prices than in the year before. The number of visitors from the United States rose to 3·2 million and their spending of over £1,500 million represented a 40 per cent increase on the 1984 figure.

The report notes that apprehension felt by Americans stemming from terrorist activities (see p 113) and from the Soviet nuclear accident (see p 141) led to a significant fall in North American travel to Europe in the second quarter of 1986. It says that by June, however, there were strong signs of recovery and a return to near normal.

In the domestic market main holidays of four nights or more taken by British people within Britain amounted to 37 million, while holidays of one to three nights numbered 33 million. Spending by Britons on holiday in Britain totalled £3,900 million. Travel abroad by Britons increased slightly to 21 million visits.

The report draws attention to the increasing recognition of the benefits of tourism to the economy by the Government (see pp 275-7, 1985 and pp 275-6), Parliament and the Confederation of British Industry. The Government has increased financial support to the BTA for the first time in a number of years (see p 390, 1985) and new criteria have been established to focus the Authority's efforts. The criteria require that the extra funding should be used to promote travel to areas of high unemployment, endorse the need to extend both the geographic spread of tourism and the tourism season, and confirm the importance of matching public funds with private sector contributions.

The British Travel Centre in Regent Street, London, which was formally opened by the Prime Minister, Mrs Margaret Thatcher, in June (see p 359, 1985) is expected to play an important role in persuading visitors to travel more widely in Britain.

Source: *British Tourist Authority Annual Report* for the year ended 31 March 1986. Available from the BTA at 4 Bromells Road, London SW4 0BJ. £5. ISBN 0 7095 2969 4.

AGRICULTURE AND THE ENVIRONMENT

The Government has announced that five farming areas in England, which are of particular importance for their landscapes, their historic significance and their value as natural habitats, are to be designated as 'environmentally sensitive areas'. The five areas are: the Broads, in Norfolk and Suffolk; the Pennine Dales, in Durham, North Yorkshire and Cumbria; the Somerset Levels and Moors; the eastern South Downs, mainly in West Sussex; and West Penwith in Cornwall.

The designation of these areas, made under the Agriculture Act 1986 (see p 251), represents a new departure in agricultural policy designed to reconcile the needs of commercial farm management with enhanced landscape and wildlife protection in important areas of the country. Farmers in the selected areas will be offered incentive payments to continue with more traditional farming methods and maintain the beauty and wildlife value of their farms.

The areas were chosen from a shortlist proposed by the Countryside Commission and the Nature Conservancy Council. The two bodies also provided advice on farming methods appropriate to protect the areas; the Government will take this into account in its consultations with interested parties. It is hoped to reach final decisions in time for farmers to join the scheme early in 1987.

Separate announcements are to be made about the designation of further areas in Wales, Scotland and Northern Ireland.

Source: Ministry of Agriculture, Fisheries and Food press notice, 14.7.86.

INSPECTORATE OF POLLUTION

The Government's proposal to create a new, unified pollution inspectorate in the Department of the Environment (DOE) was announced by the Secretary of State for the Environment, Mr Nicholas Ridley, on 7 August. The objectives of the Inspectorate of Pollution, which will come into being on 1 April 1987, will be to develop a more coherent approach to the control of industrial emissions and discharges to air, water or land in England and Wales, and to provide advice that will help the other pollution control authorities to carry out their statutory responsibilities. A unified pollution inspectorate already exists in Scotland. Mr Ridley said that in creating the new body the Government was

responding to calls from industry as well as from environmentalists for 'a clear focus to ensure the most effective use of resources available to control industrial pollution and to provide advice on ways of dealing with industrial wastes'.

The Secretaries of State for the Environment and for Wales are already responsible for air pollution policy, and on matters relating to the control of industrial air pollution they are advised by the Health and Safety Commission. The creation of the unified inspectorate will involve the transfer to the DOE of the Health and Safety Executive's Industrial Air Pollution Inspectorate which enforces the relevant legislation. The other Health and Safety Executive inspectorates will not be affected by the change but will continue to exercise their functions with regard to the safety of industrial processes; arrangements will be provided for liaison with the new body.

The Inspectorate of Pollution will also draw together staff already in the DOE in the Radiochemical Inspectorate and, in the DOE and the Welsh Office, in the Hazardous Waste Inspectorate. In addition, the new Water Pollution Inspectorate proposed in the Government's consultation paper *The Water Environment: The Next Steps* (see pp 170-1) would form a part of it.

The need for a concerted approach to the problems of air, land and water pollution was first proposed in the fifth report of the Royal Commission on Environmental Pollution in 1976 (see pp 83-5, 1976); a further study of this issue by the Commission is in progress. A scrutiny carried out in 1986 by the Efficiency Unit into the workings of the various inspectorates in the field of pollution concluded that significant benefits could be achieved by amalgamating them into a single inspectorate.

Source: Department of the Environment press notice, 7.8.86.

SOCIAL AND CULTURAL AFFAIRS

Equal Opportunities for Men and Women

Genuine progress towards the attainment of equality between men and women has been made over the last decade, according to the Equal Opportunities Commission's tenth annual report published on 8 July. Nevertheless, in the key area of pay significant inequalities persist.

The Commission was set up under the Sex Discrimination Act 1975 to work towards the elimination of discrimination and the promotion of equality of opportunity for men and women.

The report[1] says that despite the immensity of the Commission's task and the economic difficulties of the past ten years there are now real signs of progress being made towards the achievement of its goals. The Commission's code of practice for the workplace, embodying a decade of experience of employment practices and equal opportunities, has, for example, received strong support from the Government, the Confederation of British Industry and the Trades Union Congress. There has been a transformation in the attitude of the mass media from flippancy and trivialisation to a genuine understanding of the issues, while the advertising industry now accepts that the Commission's advice on discriminatory advertising (which was at first greatly resented) contributes to good advertising practice. The Sex Discrimination Act, the report also notes, used to be regarded in educational circles as at best of marginal interest; today, working towards equality of opportunity in education between boys and girls is viewed as a central part of a school's role. As a result of these changes, the Commission finds itself dealing with a public that no longer needs to be convinced of its effectiveness, but, rather, makes greater demands on its resources.

Equal Pay

One of the areas where there is still inequality is salaries, according to the report. For the last ten years women's hourly earnings have remained at about three-quarters of men's, having increased to that level from about two-thirds in the five years from 1970. The only hope of reducing the gap lies in the effective implementation of the Equal Pay Act 1970, which has been amended to provide for equal pay not only for 'the same or broadly similar work' but also for work of equal value.

Legal Issues

A series of court cases over the years has helped to make the Sex Discrimination Act, one of the most complex pieces of legislation ever drafted, more clearly understood by the courts, employers, and trade unions, as well as by individuals. A number of legal cases pursued in 1985-86 have assisted in establishing precedents in some important fields: one such case led to a government proposal to change the law to enable men and women to retire at the same age when doing similar work (see p 199).

[1] *Equal Opportunities Commission Tenth Annual Report 1985.* HMSO, £7·50. ISBN 0 11 701298 X.

Shorter Note

RAISING EDUCATIONAL STANDARDS

Two important developments aimed at raising educational standards are the introduction of courses leading to the new General Certificate of Secondary Education (GCSE – see pp 231 and 240) and a major expansion of in-service training for teachers (see p 239).

GCSE courses are being introduced in secondary schools in England, Wales and Northern Ireland in September. The GCSE is a single system of examinations taken at the age of 16 plus after two years study; it replaces the General Certificate of Education Ordinary Level and the Certificate of Secondary Education. All GCSE courses are based on national guidelines drawn up for each main subject to ensure that the objectives of courses, their content and the testing of performance conform to recognised best practice. Examinations will test not only memory and the ability to present facts but also understanding, practical skills and the application of knowledge to real situations; hence, course work will be taken into account in almost all subjects. Schools can choose courses and examinations in 19 main subjects from any of the six new groups of examining boards. The first examinations will be held in 1988.

The major new in-service training programme to improve the quality of teaching, particularly of the new technologies, was announced on 7 August by the Secretary of State for Education and Science, Mr Kenneth Baker. From 1987 up to 100,000 school and further education teachers a year will attend in-service training courses of between three days and one year. The new programme will underpin the Government's proposals to extend the pilot Technical and Vocational Education Initiative into a national scheme (see p

231). It will cost £200 million in 1987-88, of which £70 million is to be allocated to 19 projects of national priority, including training in the teaching of mathematics, science, and craft, design and technology for which there is a shortage of teachers; training of teachers in polytechnics and colleges of higher education; management training for head teachers and other senior staff; training for teachers of computing and information technology; and training for the teaching of the GCSE. The remaining £130 million will be devoted to local schemes.

Sources: Department of Education and Science press notices, 7 and 20 August.

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